

The impact of the Promotional Mix on the Enhanced Performance of Small and Medium-sized Enterprises (SMEs) in Talata Mafara Local Government, Zamfara State

Attahiru Buhari*

Taofiq A. Bello, PhD**

Department of Business Administration and Management, Abdu Gusau Polytechnic
Talata Mafara.

Department of Business Administration, Al-Qalam University Katsina.

attahirunbuhari@yahoo.com

taofikbido@gmail.com

Abstract

Promotional mix strategies are crucial for organisations aiming to thrive in the fiercely competitive marketing landscape, particularly in the Fast-moving consumer goods industry, which is characterized by the rapid sale of products at very low prices. Most products in the fast-moving consumer goods business are consumed by every household in a particular economy, resulting in intense rivalry. To remain competitive and meet evolving consumer demands and preferences, organisations worldwide must use effective promotional tactics to drive growth internationally. These initiatives aim to raise awareness and boost usage rates of their products and services. The findings of demonstrate that the promotional mix, including advertisements, sale campaigns, public relations, and personal sales, has a notable impact on the performance of small and medium-sized enterprises (SMEs). Consequently, recommendations are provided for both academia and industry regarding this matter.

Keywords: Promotional Mix, small and medium-sized enterprises and Talata Mafara, Zamafara State.

1. Introduction

Promotion is a vital method of communication employed by all organisations to effectively reach and engage both existing and prospective clients. It serves the purpose of showcasing items and introducing them to the market. To enhance the efficacy of communication, organisations must synchronize their operations with the desires and requirements of their customers (Bostani and Rastegari, 2018). Businesses aiming to thrive in the competitive marketing climate must employ promotional mix methods. Both small and large organisations must implement promotional mix methods to attract and maintain consumer loyalty, which is crucial for sustaining long-term relationships and achieving consistent development in productivity (Mustapha, 2017). In due course, the firm will attain its desired objectives, including more income, an expanded client-base, and enhanced customer loyalty, all of which are indicators of growth for any organisation in a competitive market.

Promotion is the task of determining the most effective combination of marketing communication techniques to convey a product's message and brand from the producer to the consumer. Small enterprises that comprehend promotions as a component of a unified marketing plan acknowledge the significance of this. Integrated marketing is a strategic approach that connects public relations, advertising, direct marketing, and other marketing

activities in a synchronized manner (Mustapha, 2017). Marketers' endeavours to establish a perception of superior quality in the minds of customers across all marketing endeavours, with the aim of generating additional value. The generation of value for customers results in recurring purchases, ultimately resulting in heightened sales. Marketing, in essence, seeks suitable strategies to fulfil client requirements, and it is these strategies that eventually differentiate prosperous and unsuccessful firms. Kotler and Keller (2014) stress the importance of promotion in not only conveying information about the market offering, but also in informing customers about the availability, usage, and accessibility of items, while also persuading them to make a purchase. Small and micro businesses, who are typically in their early stages of development, must attract a larger consumer base to ensure their survival. This necessitates the task of teaching and educating potential customers about the benefits and justifications for selecting their products. The success of numerous corporate organisations has been driven by the level of public awareness of the organisation and its activities. Promotion is a significant marketing strategy that has been present since the early days of organised marketing by individuals and organisations. Initially, the marketing plan was implemented with the intention of satisfying the requirements, desires, and aspirations of clients. However, despite the diligent efforts, the approach ultimately failed. The growth phase is the stage in which a product has successfully passed its introduction and is starting to gain recognition in the market. At this juncture, a corporation has the option to choose between pursuing more market share or enhanced profitability. Currently, this is the prime period for any product. Higher levels of production result in decreased unit costs. The advertising campaigns are focused on large media audiences rather than specialized markets, leading to an increase in sales momentum (Chinyere, Ghasi, and Okwor, 2018).

Important aspects of the marketing mix is promotion (Lubis, Lumbanraja, and Hasibuan 2018; Patricia, 2017). The implementation of a promotional strategy is a significant element within the broader marketing mix strategy. Effective communication plays a pivotal role in enabling organisations to effectively convey information about their products or services to their clients. The promotional strategy encompasses various components, such as personal selling, sales promotion, advertising, public relations, and direct marketing.

While many businesses utilise sales promotion as a promotional strategy, it is important to note that it cannot be used independently due to its provision of short-term incentives (Mohamad and Aziz, 2019). Over time, rivalry arises, prompting most organisations to adopt the promotional mix, which is the most effective mixture of promotional instruments to compete and achieve organisational goals. Thus, the aims of an organisation that formulates a promotion plan are derived from a blend of factors such as competitiveness, sustainable development, sales expansion, brand awareness, and market dominance.

2. Literature Review

2.1 Promotional Mix concept

Promotion primarily target the end customer of products and services to influence their purchasing behaviour (Irungu, 2019). These actions are designed to cultivate long-term consumer loyalty, even though they are carried out in the short term. Sales promotions are primarily employed as initiatives aimed at incentivizing customers, resellers, and other individuals in the distribution channel to buy a specific amount of a particular brand (Chinyere et al. 2018). The sales promotion might take the shape of either push or pull within the distribution system. The push strategy is implemented by the manufacturer in the distribution channel to stimulate increased sales of a specific brand by the intermediaries (Matura, Mbaiwa, and Mago, 2021). The pull form occurs when consumers request that middlemen maintain a specific commodity in stock, and the manufacturer responds by promoting the brand to meet this demand. Promotion is the challenge of determining the most effective combination of

marketing communication techniques to convey a product's message and brand from the producer to the consumer. Small enterprises that comprehend promotions as a component of a cohesive marketing effort acknowledge the significance of this. Integrated marketing is a strategic approach that connects public relations, advertising, direct marketing, and other marketing activities in a synchronized manner (Mustapha, 2017). Therefore, Promotional activity refers to the strategic coordination of efforts by sellers to establish channels of information, facilitate the selling of goods or services, or promote the acceptance of an idea in the market. Promotional activity must successfully attain the objectives established by the organisation, which encompass the realms of providing information, exerting influence, or inducing persuasion. To achieve these promotional aims, it is imperative to develop a promotional mix utilising precise tools. The selection of one or many instruments is closely tied to the method's capacity to fulfil the promotional objective. The advertising tools include the following:

(i) Advertising

Advertising refers to the act of promoting a product or service through a well-known advertisement put in a specific advertising platform. This ensures that the intended audience is exposed to the advertisement in exchange for a predetermined fee for the space or time utilised (Al-abdallah and Abou-moghli, 2012). Advertising is believed by certain individuals to facilitate the acquisition and retention of brand knowledge and its advantages through message repetition and the establishment of connections between brands, logos, pictures, and benefits (Bostani and Rastegari, 2018). This process can be likened to classical conditioning.

(ii) Personal selling

Personal selling is the act of personally communicating information in order to convince a potential consumer to purchase a product, service, concept, or other offering (Matura et al. 2021) Marks (1997) invented this term as "face-to-face." Personal selling involves direct verbal conversation between a salesperson or sales team and one or more potential buyers, with the aim of making or influencing a sale. Personal selling is essential for enhancing corporate performance through client engagement, relationship building, sales generation, and offering useful insights for strategic decision-making (Keh, Nguyen, and Ng, 2007). It is crucial for organisations to synchronise their personal selling endeavours with bigger marketing plans and customer-centric techniques to optimise their influence on business performance.

(iii) Sales Promotion

Sales promotion refers to a varied assortment of predominantly temporary incentives that are strategically created to encourage consumers or the trade to make immediate and/or greater purchases of a product. This is achieved by reducing the price or enhancing the value of the product (Bostani and Rastegari, 2018). Sales promotion encompasses temporary incentives or actions specifically crafted to drive consumer attention, amplify product demand, and eventually enhance sales (Adamu, Hussin, and Ismail, 2020). Sales promotion has a substantial impact on business performance, resulting in diverse outcomes that contribute to overall corporate success.

(iv) Public Relation

Public relations can be defined as the operational function that seeks to enhance and foster effective and reciprocal communication between different businesses, organisations, and public entities with whom they establish and sustain relationships (Caesar et al. 2017). Public relations are essential for influencing opinions, establishing connections, and enhancing business outcomes in different areas of the organisation. PR plays a crucial role in achieving long-term success and sustainability by effectively managing communication and engaging stakeholders.

2.2 Promotional Mix and SMEs performance

In a study conducted by Bloch & Bhattacharya (2016) reports that promotional mix strategy shows a major role in improving efficiency and job creation within companies. Until releasing

it on the market, it is essential to inform the target group about the potential characteristics of a new product. Promotion innovation strategy plays a role in establishing a brand image on the market; the creative promotion innovation strategy will influence the placement of an invention in the customer mind space (Sikdar & Vel, 2010). Therefore, promotional mix played an important role in informing the consumer about the latest product on the market as well as creating high levels of brand awareness and screening. In anticipation of future profits, a company produces products and tries to convince customers to buy them to raise their sales volume. Revenue generation is the focus of sales. Revenue is achieved by sales volume, which allows firms to improve their performance to achieve greater profit potential. Every contemporary and successful business should take care of promotional activities as it is the only way to achieve the desired goal of the company. Ståhl, (2018) supported this view that A well-designed promotion is the center of achieving the success of the business and the retention of customers. Many academics had reported ample evidence that innovative promotion activities positively impact on firm efficiency. A study conducted by Mumel et al (2007) demonstrated a notable association between the quantity of marketing communication activities employed by a firm and their net sales and customer loyalty. However, firms aiming for improved business performance should prioritize the frequency of utilising marketing communication activities rather than the quantity of marketing communication activities they should employ. This is since research has shown a correlation between the frequency of utilising specific marketing communication activities and various company performance characteristics. Consequently, this correlation provides additional opportunities to enhance specific business performance indicators. Modifying the frequency of marketing communication activities is simpler than modifying the quantity of marketing communication activities employed by the organisation. A separate investigation conducted by Adamu, Hussin, and Ismail (2020) demonstrated a notable association between the quantity of promotional endeavours employed by a firm and their net sales and customer loyalty. However, firms aiming for improved business performance should prioritize the frequency of utilising specific marketing communication activities rather than the quantity of marketing communication activities they should employ. This is because research has shown a correlation between the frequency of using specific marketing communication activities and various company performance variables. Consequently, this correlation provides additional opportunities to enhance specific business performance indicators. Modifying the frequency of marketing communication activities is simpler compared to modifying the quantity of marketing communication activities employed by the organisation.

3. Methodology

The study population consists of all small-scale firms located within Talata Mafara Local Government. Respondents were categorized into three primary trade groups, namely Retailing, Personal services and repairs, and Production, using the stratified sample technique. The entire sample size of 200 was selected purposively from various locations, taking into consideration the specified stratum. The questionnaires were employed due to their ability to gather standardized data from all participants. Additionally, questions were clearly comprehensible to respondents and facilitated straightforward data analysis. Moreover, questionnaires provided a convenient method for data collection from respondents. The questions were designed using a 5-point Likert scale. The data collected was analyzed using multiple regressions, using both primary and secondary sources. The measuring process entails the generation of descriptive statistics following data collection, the estimation of population parameters using the derived statistics, and the derivation of conclusions by combining the statistical findings with the Statistical Package for Social Sciences (SPSS).

4. Result and Discussions

Table 1: Zero Order Correlation Coefficient on Effects of Marketing strategy on Small Scale Enterprises Talata Mafara Local government

S/No.		Mean	SD	1	2	3	4	5
1.	Small Business performance	2.625	0.486*		0.422	0.030**	0.449**	0.603**
2.	Advertisement	2.576	0.496		-	0.087**	0.488	0.357*
3.	Personal selling	2.956	0.493			-	0.087	0.053
4.	Sales Promotion	2.615	0.488				-	0.502
5.	Public relations	2.673	0.471					-

Source: researcher's computation *P < 0.05, **P < 0.01

Table 2 model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.682a	.465	.432	.36673	2.585

a. Predictors:(Constant), Advertisement, personal, sales promotion, public relations

Key: *P<.05, **P<.001

The findings presented in table 1 indicate that the impact of SMEs performance and promotional tools on marketing their product, namely Advertisement, sales promotion, personal selling, and public relations strategies, were both positive and statistically significant. Specifically, the correlation coefficients (r) for these variables were 0.422 (p < .05), 0.449 (p < .01), and 0.603 (p < .01), respectively, with degrees of freedom (df) equal to 3 and 197. This outcome suggests that when business organisations use an efficient promotional mix, it will result in improved business performance, namely in terms of profitability, increased market share, customer happiness, and market expansion. The correlation between SMEs Performance and promotion was statistically significant and negative (r = -0.030; df = 3, 197; p<.01). Thus, promotional strategy had a positive and significant effect on SMEs Performance in Talata Mafara Local government.

The impact of advertising on business success is highly significant, as advertising serves as a means of communication that generates awareness, interest, and trial. Entrepreneurs have not prioritized mass promotion, such as media advertising, at this stage due to the effectiveness of interpersonal connections and networks in facilitating word-of-mouth communication. This could be attributed to the substantial expenditure incurred in product promotion, which consistently detracts from the organization's resources.

5. Conclusions and Recommendations

The study revealed that the promotional mix strategy, namely advertisement, personal selling, sale promotion, and public relations, were both individually and collectively important predictors of business performance. Every element possesses its own distinct contribution and influence on the functioning of Small Businesses. This further demonstrates the significance of the marketing strategy, regardless of the size of the business. The performance of the product is directly influenced by the marketing plan implemented. The study so suggests that implementing suitable and sufficient marketing strategies in small businesses can greatly contribute to their success, considering their significant potential and growth opportunities. In addition, the country's rising economic nature, when combined with effective utilisation of marketing strategy, undoubtedly leads to enhanced performance.

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